



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

March 16, 2022

ROBERT PHILLIPS III, TREASURER
KAROLINE FOR CONGRESS
PO BOX 307
PLAISTOW, NH 03865

Response Due Date
04/20/2022

IDENTIFICATION NUMBER: C00784884

REFERENCE: YEAR-END REPORT (10/01/2021 - 12/31/2021)

Dear Treasurer:

This letter is prompted by the Commission's preliminary review of the report referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **Failure to adequately respond by the response date noted above could result in an audit or enforcement action.** Additional information is needed for the following 4 item(s):

1. Schedule A of your report discloses one or more contributions that appear to exceed the limits set forth in the Act (see attached).

An individual or a political committee other than an authorized committee or qualified multi-candidate committee may not make a contribution(s) to a candidate for federal office in excess of \$2,900 per election. An authorized committee may not make a contribution(s) to a candidate for federal office in excess of \$2,000 per election. A qualified multi-candidate committee and all affiliated committees may not make a contribution(s) to a candidate for federal office in excess of \$5,000 per election. The term "contribution" includes any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for federal office. (52 U.S.C. § 30116(a) and (f) (formerly 2 U.S.C. § 441a(a) and (f)); 11 CFR § 110.1(b), (e) and (k))

If any apparently excessive contribution in question was incompletely or incorrectly disclosed, you must amend your original report with the clarifying information. If any contribution you received exceeds the limits, you may have to refund the excessive amount.

Excessive contributions may be retained if, within 60 days of receipt, the excessive portions are properly redesignated or reattributed. Guidelines for each option are provided below.

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Please note that reattributions only apply to excessive contributions from individuals. An excessive contribution is considered properly reattributed if (1) the contributors provide the committee with written documentation, signed by each contributor, authorizing a reattribution and indicating the amount of the contribution to be attributed to each contributor; or (2) the committee reattributes by presumption the excessive portion of the contribution if the contribution was made on a written instrument from a joint account and was signed by only one of the account holders. In this case, the treasurer must notify the contributors in writing within 60 days of receiving the contribution that the committee intends to reattribute the excessive portion and must give the contributor an opportunity to request a refund. (11 CFR § 110.1(k)(3)(ii)(B))

Please note that you cannot presumptively redesignate an excessive contribution from a multi-candidate committee. Also, a contribution can only be redesignated to a previous election to the extent that the contribution does not exceed the committee's net debts outstanding for that election. (11 CFR § 110.1(b)(3)(i))

If the foregoing conditions for reattributions or redesignations are not met within 60 days of receipt of the contribution, the excessive amount must be refunded. See 11 CFR § 103.3(b)(1).

If you have not already done so, please inform the Commission of your corrective action immediately in writing and provide photocopies of any refund checks and/or letters reattributing or redesignating the contributions in question. Refunds are reported on Line 20(a), (b), or (c), as applicable, of the Detailed Summary Page and on a supporting Schedule B of the report covering the period in which they are made. Redesignations and reattributions are reported as memo entries on Schedule A of the report covering the period in which the authorization for the redesignation and/or reattribution is received. (11 CFR § 104.8(d)(2), (3) and (4))

Although the Commission may take further legal action concerning the acceptance of excessive contributions, your prompt action to refund, redesignate, and/or reattribute the excessive amount will be taken into consideration.

2. Schedule A of your report discloses one or more contributions that appear to be from a limited liability corporation(s) (LLC) (see attached). 11 C.F.R. §110.1(g) allows the receipt of contributions from LLCs providing the LLC is treated as a partnership for tax purposes, and has not elected to be treated as a corporation by the Internal Revenue Service (IRS). Both LLCs that claim

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corporate status and those that are publicly traded would be treated as corporations for FECA purposes.

Please amend your report to clarify if the LLCs in question are treated as partnerships. If any apparently prohibited contribution in question was incompletely or incorrectly disclosed, you must amend your original report with clarifying information.

If you have received prohibited contributions, you must make a refund. (11 CFR § 103.3(b)(1)) The refund must be made within 30 days of the treasurer becoming aware of the illegality of the contribution. (11 CFR § 103.3(b)(2))

If you have not already done so, please inform the Commission of your corrective action immediately in writing and provide a photocopy of any refund checks. Refunds must be reported on a Schedule B supporting Line 20(a) of the report covering the period in which the refund was made. (11 CFR § 104.8(d)(4))

Although the Commission may take further legal action concerning the acceptance of prohibited contributions, your prompt action to refund the prohibited amount will be taken into consideration.

3. Schedule A of your report discloses one or more contributions from an organization(s) which is not a political committee registered with the Commission (see attached). In order for your committee to accept contributions from unregistered organizations, your committee should take steps to ensure that the contributor(s) used permissible funds to make the contribution(s) to avoid violating 52 U.S.C. §§ 30116(f) and 30118 (formerly 2 U.S.C. §§ 441a(f) and 441b) or 11 CFR §102.5(b). Under 11 CFR §102.5(b), organizations which are not political committees under the Act and choose to contribute to federal committees must either: (1) establish a separate account which contains only those funds permitted under the Act, or (2) demonstrate through a reasonable accounting method that the organization has received sufficient funds subject to the limitations and prohibitions in order to make the contribution.

If any apparently prohibited contribution in question was incompletely or incorrectly disclosed, you should amend your original report with clarifying information. In addition, please clarify whether the contribution(s) received from the referenced organization(s) is permissible.

If you have received prohibited contributions, you must make a refund. (11 CFR § 103.3(b)(1)) The refund must be made within 30 days of the treasurer becoming aware of the illegality of the contribution. (11 CFR § 103.3(b)(2))

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If you have not already done so, please inform the Commission of your corrective action immediately in writing and provide a photocopy of any refund checks. Refunds must be reported on a Schedule B supporting Line 20(b) or (c), as applicable, of the report covering the period in which the refund was made. (11 CFR § 104.8(d)(4))

Although the Commission may take further legal action concerning the acceptance of prohibited contributions, your prompt action to refund the prohibited amount will be taken into consideration.

4. Schedule A of your report discloses contributions earmarked through a conduit but fails to disclose required information for the conduit(s).

Please be reminded that when a committee receives an earmarked contribution(s) through an allowable conduit, each individual contribution must be itemized when the individual's total contributions to your committee aggregate over \$200 per election cycle. This itemization must include the full name, address, occupation, and employer of the individual contributor **along with the date the contribution(s) was received by the conduit.** Any un-itemized contributions received through the conduit must be included in your totals on Line 11(a)(ii) of the Detailed Summary Page.

In addition, information regarding the conduit or intermediary for each contribution must be itemized on Schedule A as a memo entry. The conduit's full name and address (and occupation and employer if the conduit is an individual) must also be provided, **along with the date the contribution(s) was received by your committee** and the total amount of earmarked contributions received from the conduit.

Please amend your report to disclose the proper format for earmarked contributions received from a conduit or intermediary. Please clearly indicate which conduit memo entry corresponds to each earmarked contribution. You can refer to the FEC Campaign Guide for Congressional Candidates and Committees for further guidance on how to report earmarked contributions through a conduit (11 CFR § 110.6(c)(2))

Please note, you will not receive an additional notice from the Commission on this matter. Adequate responses must be received by the Commission on or before the due date noted above to be taken into consideration in determining whether audit action will be initiated. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee

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will be placed on the public record and will be considered by the Commission prior to taking enforcement action. **Requests for extensions of time in which to respond will not be considered.**

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. For information about the report review process or specific filing information for your committee type, please visit www.fec.gov/help-candidates-and-committees. For more information about Requests for Additional Information (RFAI), why you received a letter, and how to respond, please visit www.fec.gov/help-candidates-and-committees/request-additional-information. Should you have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1167.

Sincerely,

A handwritten signature in black ink, appearing to read "Denise Stilla", with a long horizontal flourish extending to the right.

Denise Stilla
Senior Campaign Finance Analyst

Apparent Excessive, Prohibited, and Impermissible Contributions
Karoline for Congress (C00784884)

Apparent Excessive Contributions from Individuals

Contributor Name	Date	Amount	Election
Egan, Daniel K.	7/20/21	\$500.00	P2022
Egan, Daniel K.	7/20/21	\$500.00	P2022
Egan, Daniel K.	12/3/21	\$2,900.00	P2022
George, Deirdre	9/15/21	\$2,500.00	P2022
George, Deirdre	12/31/21	\$2,100.00	P2022
George, Michael	9/15/21	\$2,500.00	P2022
George, Michael	12/31/21	\$2,900.00	P2022
Hornig, Patrick	7/25/21	\$50.00	P2022
Hornig, Patrick	7/25/21	\$50.00	P2022
Hornig, Patrick	7/25/21	\$500.00	P2022
Hornig, Patrick	7/25/21	\$10.00	P2022
Hornig, Patrick	8/13/21	\$500.00	P2022
Hornig, Patrick	8/19/21	\$100.00	P2022
Hornig, Patrick	8/24/21	\$24.00	P2022
Hornig, Patrick	8/27/21	\$20.22	P2022
Hornig, Patrick	8/31/21	\$20.22	P2022
Hornig, Patrick	9/2/21	\$20.22	P2022
Hornig, Patrick	9/4/21	\$25.00	P2022
Hornig, Patrick	9/7/21	\$20.22	P2022
Hornig, Patrick	9/15/21	\$1,000.00	P2022
Hornig, Patrick	9/29/21	\$20.22	P2022
Hornig, Patrick	10/14/21	\$20.24	P2022
Hornig, Patrick	11/12/21	\$20.22	P2022
Hornig, Patrick	11/13/21	\$50.00	P2022
Hornig, Patrick	11/13/21	\$50.00	P2022
Hornig, Patrick	11/13/21	\$20.22	P2022
Hornig, Patrick	11/16/21	\$380.00	P2022
Hornig, Patrick	11/29/21	\$20.22	P2022
Hornig, Patrick	12/4/21	\$20.22	P2022
Hornig, Patrick	12/8/21	\$20.22	P2022
Hornig, Patrick	12/8/21	\$20.22	P2022
Hornig, Patrick	12/14/21	\$100.00	P2022
Hornig, Patrick	12/14/21	\$100.00	P2022
Hornig, Patrick	12/23/21	\$100.00	P2022
Hornig, Patrick	12/23/21	\$100.00	P2022

Apparent Excessive, Prohibited, and Impermissible Contributions
Karoline for Congress (C00784884)

Contributions from Possible Prohibited Entities

Contributor Name	Date	Amount	Election
Miles Marine LLC	10/28/21	\$500.00	P2022
Nautical Beach Resort by the Sea LLC	10/12/21	\$2,500.00	P2022

Contributions from Possible Unregistered Organizations

Contributor Name	Date	Amount	Election
Ware Republican Town Committee	12/2/21	\$1,000.00	P2022